

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 00365 291845Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 FEA-01 USIE-00 SSO-00 NSCE-00
INRE-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00
DODE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05
OMB-01 PM-04 OES-06 SP-02 SS-15 STR-04 TRSE-00
ACDA-07 /095 W

-----291852Z 112868 /41

O 291823Z JAN 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 2287

LIMITED OFFICIAL USE OTTAWA 0365

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJECT: ENERGY: CANADIAN OFFER OF ASSISTANCE TO MEET ENERGY
SHORTAGES

1. ENERGY, MINES AND RESOURCES MINISTER GILLESPIE ASKED ME
JANUARY 28 WHETHER THERE WAS ANYTHING FURTHER HE COULD DO TO
ASSIST US IN COPING WITH FREEZE-RELATED ENERGY SHORTAGES IN
U.S., PARTICULARLY IN NORTHEAST.

2. AFTER TOUCHING BASE WITH ENERGY ADMINISTRATOR SCHLESINGER,
I TOLD HIM TOP PRIORITY REMAINED NATURAL GAS, ALTHOUGH WE
COULD PROBABLY USE PROPANE AS WELL. GAS SHOULD BE ALLOTTED
TO FPC FOR ITS DISTRIBUTION. WE COULD TAKE IT AT ANY POINT
ON THE FRONTIER AND DISTRIBUTE BY DISPLACEMENT.

3. PRIDDLE, SENIOR ADVISOR, EMR, HAS GIVEN EMBASSY FOLLOWING
PRELIMINARY AND ADMITTEDLY INCOMPLETE READ-OUT ON ENERGY
SUPPLY SITUATION AS HE SEES IT BASED ON CONTACTS WITHIN GOC
AND WITH INDUSTRY:

(A) HEATING OIL

-- 50,000 EXTRA BARRELS OF RESIDUAL FUEL OIL HAVE BEEN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 00365 291845Z

AUTHORIZED FOR EXPORT TO DETROIT EDISON. DETROIT EDISON
OFFICIALS ARE COMING TO OTTAWA DURING WEEK OF JANUARY 31 TO
DISCUSS THEIR SITUATION AND GOC WILL DO ANYTHING IT CAN TO
HELP."

-- CFM HAS BEEN AUTHORIZED TO EXPORT ADDITIONAL 35,000
BARRELS FROM WINDSOR AREA TO DETROIT FOR GENERAL DISTRIBUTION.

-- IRVING RECEIVED LICENSE ON FRIDAY TO EXPORT BETWEEN

FEBRUARY 1 AND 14, 200,000 BARRELS OF GOOD QUALITY HEATING OIL TO NEW ENGLAND BY SEA.

-- CONTACTS WITH MAJOR REFINERS REVEAL:

(1) SHELL'S OWN SUPPLIES OF FINISHED DISTILLATES ARE ALMOST ZERO AND IT IS WORRIED ABOUT MEETING CANADIAN REQUIREMENTS. IT HAS SIZEABLE QUANTITIES OF INTERMEDIATE PRODUCT BUT THESE REQUIRE FURTHER TREATMENT.

(2) GULF IS IN SIMILAR SITUATION. IT IS ATTEMPTING TO GET CRUDE FROM IRVING IN ST. JOHN BUT SHIPS ARE BEING CAUGHT IN THE ICE.

(3) IMPERIAL THINKS IT MAY BE ABLE TO HELP BUT MUST ANALYZE SITUATION IN DETAIL AND WILL BEGIN DOING SO IMMEDIATELY.

-- MAJOR PROBLEM FOR ALL REFINERS IS THAT THEY ARE SEEING LARGE BUILDUP IN INVENTORIES OF CO-PRODUCTS, I.E. GASOLINE AND LIGHTER OILS. IMPERIAL SUGGESTED THAT IF ANY SIGNIFICANT QUANTITIES OF HEATING OIL WERE TO BE MADE AVAILABLE, THE CUSTOMER SHOULD TAKE A "BALANCED BARREL."

-- MINNESOTA AUTHORITIES HAVE CONTACTED GOC AND PRIDDLE HAS IMPRESSION THIS IS WHERE MOST CRITICAL HEATING OIL SHORTAGES EXIST IN U.S. AS EXISTING SUPPLIES ARE BEING USED ON ACCELERATED BASIS, SHORTFALLS ARE EXPECTED TO CONTINUE TO OCCUR FOR REST OF THE WINTER.

(B) NATURAL GAS. PRIDDLE SAID HE HAD NOT PURSUED THIS QUESTION WHICH IS APPARENTLY BEING HANDLED WELL BETWEEN NEB AND U.S. AUTHORITIES. HE ADVISED THAT YESTERDAY (JANUARY 28) NEB AUTHORIZED EXPORT OF 2.4 MILLION GALLONS OF LNG (EQUIVALENT TO 200 MILLION CUBIC FEET) FROM GAZ METROPOLITAIN OF MONTREAL TO COLUMBIA GAS TO BE SHIPPED BY TRUCK TO PENNSYLVANIA.

(C) PROPANE.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 00365 291845Z

-- THERE ARE DEFINITELY SURPLUS QUANTITIES OF PROPANE AVAILABLE BUT MOST ARE IN WESTERN CANADA AND TRANSPORTATION IS A PROBLEM. THERE IS EXTENDED TURNAROUND TIME ON RAIL TANK CARS AND IT IS NOT FEASIBLE TO SHIP TO EAST BY TRUCK.

-- THERE MAY BE SOME PROPANE AVAILABLE IN SARNIA AREA BECAUSE COLUMBIA'S SYNTHETIC GAS PLANT IS OUT OF PRODUCTION AND PROPANE HAS BACKED UP.

4. PRIDDLE SAID DURING COMING WEEK HE PLANS TO BE IN TOUCH WITH ADDITIONAL REFINERS AND WITH PROPANE BROKERS WHO HAVE BEST FEEL FOR PROPANE SUPPLY SITUATION AND WILL KEEP US INFORMED OF ANY NEW DEVELOPMENTS.

5. EMBASSY IS REITERATING THAT NATURAL GAS IS TOP PRIORITY AND WILL PURSUE MATTER FURTHER ON MONDAY.
ENDERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUPPLIES, NATURAL GAS, PETROLEUM PRODUCTS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OTTAWA00365
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770033-0280
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977015/aaaaaeeep.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4e3171d9-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3593224
Secure: OPEN
Status: NATIVE
Subject: ENERGY: CANADIAN OFFER OF ASSISTANCE TO MEET ENERGY SHORTAGES
TAGS: ENRG, CA, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/4e3171d9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009